

# Washington State Institute for Public Policy

Benefit-Cost Results

#### Alternative response

Benefit-cost estimates updated December 2015. Literature review updated August 2014.

Current estimates replace old estimates. Numbers will change over time as a result of model inputs and monetization methods.

The WSIPP benefit-cost analysis examines, on an apples-to-apples basis, the monetary value of programs or policies to determine whether the benefits from the program exceed its costs. WSIPP's research approach to identifying evidence-based programs and policies has three main steps. First, we determine "what works" (and what does not work) to improve outcomes using a statistical technique called meta-analysis. Second, we calculate whether the benefits of a program exceed its costs. Third, we estimate the risk of investing in a program by testing the sensitivity of our results. For more detail on our methods, see our technical documentation.

Program Description: Alternative Response (also called Family Assessment Response or Differential Response) is a system of responding to referrals to Child Protective Services that is an alternative to a traditional investigation. If there are no imminent concerns about a child's safety, the Alternative Response method conducts a family assessment, with the goal of engaging a family to determine strengths and needs and plan for the future, without requiring a determination that maltreatment has occurred or that the child is at risk of maltreatment. It is perceived by some as less intrusive and less confrontational than a traditional investigation.

Benefit-Cost Summary								
Program benefits		Summary statistics						
Participants	\$1,995	Benefit to cost ratio	\$12.62					
Taxpayers	\$875	Benefits minus costs	\$2,780					
Other (1)	\$170	Probability of a positive net present value	88 %					
Other (2)	(\$20)							
Total	\$3,019							
Costs	(\$239)							
Benefits minus cost	\$2,780							

The estimates shown are present value, life cycle benefits and costs. All dollars are expressed in the base year chosen for this analysis (2014). The economic discount rates and other relevant parameters are described in our technical documentation.

#### **Detailed Monetary Benefit Estimates**

Carrier of hamafile	Benefits to								
Source of benefits	Participants	Taxpayers	Other (1)	Other (2)	Total benefits				
From primary participant									
Crime	\$0	\$49	\$107	\$25	\$181				
Child abuse and neglect	\$383	\$18	\$0	\$9	\$410				
Out-of-home placement	\$0	\$24	\$0	\$12	\$36				
K-12 grade repetition	\$0	\$7	\$0	\$4	\$11				
K-12 special education	\$0	\$47	\$0	\$24	\$70				
Property loss (alcohol abuse/dependence)	\$0	\$0	\$0	\$0	\$1				
Health care (PTSD)	\$16	\$50	\$62	\$25	\$153				
Labor market earnings (child abuse & neglect)	\$1,595	\$680	\$0	\$1	\$2,277				
Adjustment for deadweight cost of program	\$0	\$0	\$0	(\$120)	(\$120)				
Totals	\$1,995	\$875	\$170	(\$20)	\$3,019				

We created the two "other" categories to report results that do not fit neatly in the "participant" or "taxpayer" perspectives. In the "Other (1)" category we include the benefits of reductions in crime victimization, the economic spillover benefits of improvement in human capital outcomes, and the benefits from private or employer-paid health insurance. In the "Other (2)" category we include estimates of the net changes in the value of a statistical life and net changes in the deadweight costs of taxation.

Detailed Cost Estimates									
	Annual cost	Program duration	Year dollars	Summary statistics					
Program costs Comparison costs	\$229 \$0	1 1	2011 2011	Present value of net program costs (in 2014 dollars) Uncertainty (+ or - %)	(\$239) 10 %				

We used costs for Initial investigation or assessment reported in evaluations of Alternative Rsponse four states: Colorado, Illinois, Ohio, and Minnesota. The cost reported here is the caseload-weighted average additional cost for alternative response relative to investigation response. Fuller, T., Nieto, M., Zhang, S. (2013) Differential Response in Illinois: Final Evaluation Report. Urbana-Champaign: Children and Family Resarch Center,

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Longo L.A. Signal C.L. (2014) Obje Alternative Response Evaluation Extension: Final Report to the Obje Supreme Court, St. Louis MO. Institute of Applied

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Siegel, G. L., & Loman, T. (2006). Extended Follow-Up Study Of Minnesota's Family Assessment Response: Final Report. St. Louis, MO: Institute of Applied Research.

Winokur, M., Ellis, R., Orsi, R., Rogers, J., Gabel, G., Brenwald, S., Holmquist-Johnson, H., & Evans, M. (2014). Program Evaluation Of The Colorado Consortium On Differential Response: Final Report. Fort Collins, CO: Social Work Research Center, School of Social Work, Colorado State University

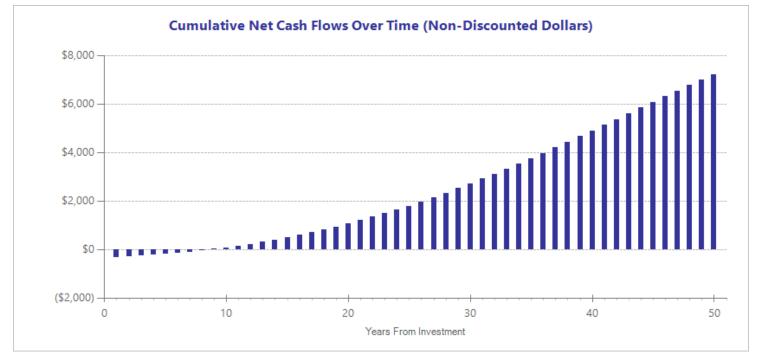
The figures shown are estimates of the costs to implement programs in Washington. The comparison group costs reflect either no treatment or treatment as usual, depending on how effect sizes were calculated in the meta analysis. The uncertainty range is used in Monte Carlo risk analysis, described in our technical documentation.

Meta-Analysis of Program Effects											
Outcomes measured	Primary or secondary participant	No. of effect sizes	Treatment N	Unadjusted effect size (random effects model)		Adjusted effect sizes and standard errors used in the benefit- cost analysis					
						First time ES is estimated			Second time ES is estimated		
				ES	p-value	ES	SE	Age	ES	SE	Age
Child abuse and neglect	Primary	7	12997	-0.065	0.145	-0.065	0.045	8	-0.065	0.045	17
Out-of-home placement	Primary	5	11803	-0.025	0.788	-0.025	0.091	8	-0.025	0.091	17

### Citations Used in the Meta-Analysis

Fuller, T., Nieto, M., Zhang, S. (2013) Differential Response in Illinois: Final Evaluation Report. Urbana-Champaign: Children and Family Research Center, University of Illinois.

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Winokur, M., Ellis, R., Orsi, R., Rogers, J., Gabel, G., Brenwald, S., Holmquist-Johnson, H., & Evans, M. (2014). *Program evaluation of the Colorado Consortium on Differential Response: Final report.* Fort Collins, CO: Social Work Research Center, School of Social Work, Colorado State University.

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Printed on 03-05-2016



## Washington State Institute for Public Policy

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